

OGC 81-06285

24 July 1981

MEMORANDUM FOR: Deputy Director for Administration

25X1 FROM: [REDACTED]
Assistant General Counsel

SUBJECT: Schrager, Klemens, and Krueger, Inc. v.
Cambridge Systems Group Inc.

REFERENCE: Memo for GC, Attn: [REDACTED], from DDA,
dtd 18 Jun 81; subj: Request for Legal
Assistance (DD/A 81-1286; OGC 81-05142)

25X1

25X1 1. Reference identified possible involvement of Agency
employee [REDACTED] in subject litigation. The undersigned
has contacted Mr. Dickie, the attorney for Schrager, Klemens,
and Krueger, Inc., and been advised that, as currently postured,
the case will probably not require [REDACTED] testimony.
That position is not fixed in concrete, however, and depends in
large measure on the decision of the judge as to the extent of
discovery or evidence he will allow.

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2. We have advised Mr. Dickie that [REDACTED] involvement
would be disruptive to Government activities and that we would
prefer not to have him testify (either in person or by deposition).
In Mr. Dickie's view, however, the Government is a "blue chip"
customer and its testimony would undoubtedly be viewed favorably
by the court.

25X1

3. I advised Mr. Dickie that we would continue to monitor
the case and reach a decision regarding our position on the
testimony of an Agency official. Mr. Dickie, in turn, agreed to
keep us advised of developments in the case and, particularly,
any need for an Agency official to testify.

25X1

cc: ✓ D/ODP
D/L
ODP/SPD/P [REDACTED]

25X1

81-1286

ODP 81-759

18 JUN 1981

MEMORANDUM FOR: General Counsel

ATTENTION: [REDACTED]

FROM: Harry E. Fitzwater
Deputy Director for Administration

SUBJECT: Request for Legal Assistance

1. The Office of Data Processing (ODP) has installed and is actively using a software security system called ACF2 on the IBM computers used for general data processing support. This product was developed by Schrager, Klemens, and Krueger, Inc. (SKK) of Chicago, Illinois, and marketed by the Cambridge Systems Group, Inc. (CSG) of Los Altos Hills, California.

2. The process of acquiring ACF2 for use by the Agency began in 1978 with an effort led by [REDACTED] of the Batch Systems Branch, Systems Programming Division, Office of Data Processing. This effort involved a market survey of available security software and culminated in a successful sole source justification for acquisition of the ACF2 product. [REDACTED] has done all the additional software development necessary to tailor the product to meet the Agency's requirements.

3. On Thursday, 11 June 1981, [REDACTED] received a phone call from Mr. Dean Dickie of the law firm of Sachnoff Schraeger Jones Weaver and Rubenstein, LTD. Mr. Dickie informed [REDACTED] that SKK was involved in litigation with CSG, SKK having terminated the marketing agreement because CSG was not an effective agent and was hurting the sales of the product. Because of [REDACTED] involvement with the product, Mr. Dickie suggested that a deposition or court testimony by [REDACTED] could support his client's case. Upon termination of the conversation with Mr. Dickie, [REDACTED] called [REDACTED] in the Office of General Counsel to report the contact.

25X1 4. [] involvement in this case is a direct result of
his official responsibilities as an ODP officer. Any testimony he
may give about ACF2 and the relationship between SKK and CSG must
25X1 also involve ODP and CIA. I request, therefore, that OGC provide
[] with advice and counsel on how to proceed, and that an
25X1 attorney from OGC accompany him when his deposition is taken. Mr.
[] may be reached on []

25X1 []
Harry E. Fitzwater

25X1

cc: D/OS
D/OL
DD/P/ODP

25X1 [] SPD/P/ODP

/s/ Bruce T. Johnson

17 JUN 1981

ILLEGIB

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O/D/ODP/[] ee/17 Jun 81

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